Ladies and Gentlemen,

Good morning from my side as well!

The BMW Group is on course to reach its targets for 2014. We are committed to profitable long-term growth.

The global market environment and positive business development are confirming our expectations. In Europe, the slight recovery of the first six months has continued. The BMW Group posted solid sales growth of 6.0% in the third quarter. The company sold more than 217,000 vehicles in the region.

In the Americas, quarterly sales were up 4.3% year-on-year and reached more than 116,000 units. The US auto market, in particular, again reported healthy growth: Third-quarter sales climbed 5.5% to more than 94,000 units.

Dynamic growth continues in Asia and especially China. By the end of September, the BMW Group posted a sales increase of almost 18% over the previous year in the world's largest auto market. The company delivered more than 336,000 premium vehicles to customers. This retail sales growth also benefitted from our young and attractive model line-up.

The economic situation remains volatile in a number of growth markets. Thanks to our balanced global presence, we are able to take advantage of sales opportunities in the Americas, Europe and Asia. Our global presence and
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flexibility also enable us to manage fluctuations in demand in individual markets at short notice.

**Group** revenues for the first nine months reached € 57.74 billion – an increase of 3.4% compared with the same period of 2013.

Group pre-tax profit for the year to the end of September increased significantly – climbing 13.5% to € 6.84 billion. Third-quarter pre-tax profit was slightly higher year-on-year at € 2.01 billion. The EBT margin for the quarter stood at 10.3%.

The BMW Group is pursuing its corporate strategy for long-term profitable growth and future competitiveness. We are selectively expanding our global capacity and extending our product portfolio.

The BMW Group is maintaining its high level of capital expenditure and research and development to strengthen the company’s future competitiveness. In the first nine months of the year, we invested a total of € 3.99 billion in new products, plant and equipment.

This includes investment in our new plant in Brazil, contract manufacturing at NedCar in the Netherlands, expansion of our US plant in Spartanburg and MINI production in the UK.

Capital expenditure was 8% lower year-on-year. The capex ratio for the first nine months of the year stood at 6.9%.

The capex ratio for the full year 2014 is likely to exceed our target of below 7%. It should however be lower than the previous year’s figure of 8.8%.
The BMW Group spent a total of € 1.01 billion (IFRS) on research and development in the third quarter – this figure is on a par with the same period of last year.

Research and development expenses for the year to the end of September totalled € 2.99 billion. These were focused on new technologies in the areas of lightweight construction, connectivity and alternative drive trains – which we regard as success factors for our future business.

Further R&D expenditure was mostly earmarked for vehicle projects in the middle and upper vehicle range. Expanding vehicle architectures for our compact models and larger vehicle classes was another priority.

The R&D ratio (HGB) for the first nine months of 2014 stood at 5.5%. Since R&D costs generally rise towards the end of the year, we expect the R&D ratio for the full year to exceed our target range, but still be lower than the previous year’s 6.3%.

Group liquidity remained at a high level in the third quarter. At the end of the quarter, liquid assets and securities totalled € 11.3 billion.

The company continues to make a strong liquidity position a priority.

Let’s move on to the Automotive segment. Our automotive business continued to perform well in the third quarter. Over 509,000 vehicles were delivered to customers during this period – an increase of 5.8%. BMW, in particular, the world’s leading premium brand, reported its best-ever third quarter with more than 433,000 deliveries. MINI sales reached more than 75,000 units – in line with last year’s figure, despite the model changeover.
Between January and the end of September, total sales grew by a solid 6.5%, to almost 1.53 million vehicles. BMW brand sales were particularly dynamic, with year-on-year growth of 9.1% to reach nearly 1.32 million units.

Segment revenues for the third quarter stood at € 18.14 billion. This is an increase of 5.5% compared with the same period of last year. Automotive segment EBIT for the same period reached almost € 1.70 billion – an increase of 9.7% over the previous year. Earnings profited from sales growth and a high-value product mix with a large share of BMW vehicles. The mix was slightly better in the first half of the year, however.

In the first nine months of the year, our attractive new models benefitted from a slight improvement in the price situation in Europe. Overall, the global pricing environment appears slightly more positive than last year.

On the costs side, segment earnings were impacted by higher personnel costs and depreciation. The strategic focus on future projects and expanding global capacity resulted in higher personnel expenses. For example, new staff were hired for our plants in Spartanburg and Leipzig, as well as for the new plant in Brazil.

Higher capital expenditure after commissioning of new equipment and after production ramp-up of new models led to higher depreciation than in the same period of last year.

The Automotive segment achieved an EBIT margin of 9.4% for the third quarter.

After the first nine months, EBIT for the Automotive segment stands at € 5.44 billion, with an EBIT margin of 10.2%.
In the fourth quarter, we expect to see a further increase in sales, with corresponding effects on revenue and earnings. Costs are also forecast to rise as various product and technology projects are concluded at the end of the year. Additional costs will be incurred for a major upgrade of our IT infrastructure and refinement of our sales and marketing activities. In this way, the BMW Group is laying the foundation for continued global growth and the further development of its business areas.

We will also face marketing and ramp-up costs this year for the latest models, such as the X6 and the new 2 Series Convertible. The X4 and the Active Tourer will be launched in overseas markets in the coming months, as well as the new 5-Door MINI and the new Rolls-Royce Ghost.

The current product offensive caused a peak in production in the first nine months of the year. By the end of September, we built nearly 1.619 million vehicles – well over 96,000 more than in the same period of last year. Capacity utilisation remains high at our plants worldwide – which will manage a total of 16 model ramp-ups this year.

The growing importance of overseas markets means longer vehicle lead-times. Our expanded product portfolio and vehicle transfer times resulted in a working capital increase of almost €2 billion.

This build-up of working capital led to a lower free cash flow year-on-year: Free cash flow stood at €1.31 billion at the end of the nine-month period.

With the sales volumes planned for the rest of the year, we expect to see a corresponding decrease in working capital in the fourth quarter. This will also have a positive impact on free cash flow for the full year.
At the end of September, net financial assets in the Automotive segment totalled € 12.10 billion.

Let's take a look at our Financial Services segment: Despite sustained competitive pressure, BMW Group Financial Services performed well in the third quarter. The segment is rigorously pursuing its strategy of profitable, balanced growth and makes a vital contribution to the BMW Group's earnings performance.

During the third quarter, over 382,000 new contracts were concluded with customers – an increase of 1.8% year-on-year. The Asia/Pacific region once again saw the strongest growth, as Chinese customers, in particular, took advantage of financing options.

The serviced portfolio totalled more than 4.26 million contracts as of 30 September. This represents an increase of 5.2% over the previous year.

The segment penetration rate – the percentage of new vehicles financed or leased by Financial Services – was lower than for the first nine months of 2013. It stood at 41.8%, compared with 45.0% for the same period of last year. This again reflects increased competition across the industry.

Financial Services reported pre-tax earnings of € 455 million for the third quarter – an increase of 14.3% compared with the previous year. Segment earnings before tax for the first nine months were 4.5% higher year-on-year at € 1.37 billion.

The risk situation developed in line with expectations during the first nine months, so credit risks are likely to remain stable for the rest of the year. A positive trend is emerging in individual Southern European markets.
Pricing on the international used-car markets was largely unchanged. We also expect residual values for our off-lease vehicles in Europe and Asia to remain stable. However, in North America prices for used cars could trend downwards slightly.

The **Motorcycles segment** reported a new sales-high for the third quarter, selling more than 100,000 motorcycles in nine months for the first time. Over 29,000 units were delivered to customers in the third quarter – an increase of 3.6% over the previous year.

BMW Motorrad benefitted from the growth in the market segment above 500 cc. In the first three quarters, the global market grew by 4.6% and BMW Motorrad was able to increase sales by 7.6%. BMW Motorrad reported solid growth in a number of European markets and the US, in particular.

Revenues and segment earnings mirrored this positive development. Revenues for the first nine months climbed 10.9% to € 1.37 billion. The segment achieved an EBIT of € 146 million for the same period – an increase of 57.0%.

The recently launched models – new versions of the S 1000 RR, R 1200 R and R 1200 RS – will be available for the start of the motorcycle season in the spring.

Assuming that economic conditions remain unchanged, the BMW Group will meet its profit target for the full year. Our business is on track so far. We expect to achieve high sales in the fourth quarter, when all three brands will have new models available.

Achieving this sales growth will depend on stable European markets and sustained positive development in our overseas markets. In view of the global economic and political risks, we expect our business environment to remain volatile for the rest of the year.
At Group level, we anticipate a significant increase in pre-tax earnings for 2014, compared to the previous year.

Despite current uncertainties in China, Russia and some other emerging markets, our strong product momentum and sales opportunities in the Automotive segment make us confident.

Globally, we continue to focus on profitability and expect a sales increase to more than two million vehicles for the full year.

In the fourth quarter, deliveries are likely to increase at a higher rate than the 6.5% of the first nine months.

Not only in sales, but also in revenues, we forecast a solid increase for 2014 – although currency translation effects could dampen this increase. For the full year, we expect the EBIT margin to remain within our target range of 8-10%.

The positive business development in the Financial Services segment looks set to continue. The main financial indicator for the segment, return on equity, should be slightly lower than last year, but exceed our target of at least 18% for the full year. This is due to higher competitive pressure in our markets. Adequate risk provisions have been made for our Financial Services activities.

From today's perspective, assuming that conditions remain stable, BMW Motorrad will also continue its positive business development. Motorcycle markets worldwide have performed better than forecast. BMW Motorrad deliveries should benefit from this in 2014, with solid year-on-year growth.
Our forecast for the year is based, as already mentioned, on stable political and macroeconomic conditions. Any changes in the political or economic climate could affect our guidance.

Our strategy is focused on long-term competitiveness and profitable growth. The BMW Group is therefore using its financial strength to invest in the future and secure its innovation leadership. The company is expanding its capacity worldwide and enhancing efficiency across all operating areas. This will consolidate its global leadership of the premium segment.

Thank you.